Foreign Travel Scheme

1965. SHRI SUBAS MOHANTY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have received representations to revise the Foreign Travel Scheme so that bi-annual sanction can be given for genuine travellers;

(b) if so, what steps Government propose to take to remove illegal foreign exchange transactions by liberalising such schemes so as to assist genuine Indian travellers;

(c) whether shortage of foreign exchange is acting as a constraint to liberalisation of this scheme; and

(d) whether it is also fact that payments of large amount of foreign exchange is presently being made as interest payments on banking accounts of non-resident Indians?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHM DUTT): (a) to (c) Yes, Sir. A few representations have been received with this request. In the light of experience gained in the administration of the Foreign Travel Scheme, Government have rationalised the Scheme by introducing certain changes effective 7th April, 1986. This has been done to conserve foreign exchange and to eliminate the misuse of the facility by certain unscrupulous elements. This will not cause hardship to a genuine traveller. Government is enforcing the provisions of Foreign Exchange Regulation Act strictly to prevent illegal transactions. Liberalisation alone will not stop illegal transactions. conseriation of foreign exchange was one of the reasons for revising the scheme.

(d) The interest payable on deposits of Non-Resident Indians under the Foreign Currency Non-Resident (FCNR) accounts during the last three years is as follows:—

(Amount in millions)

Year	*US dollars*	*Pond Stg.*
1984	28.40	7.73
1985	47.94	17.67
1986	113.02	30.47

The balances in the Non-Resident (External) Rupee (NRE) accounts are maintained in Rupees and the question of payment of principal and interest in foreign currencies arises only when repatriation of such balances are sought by the depositors. As such, details of the interest payable in foreign exchange on such accounts is not separately being compiled.

Report prepared by Economic Intelligence Bureau

1966. SHRI J. P. GOYAL: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Economic Intelligence Bureau of the Ministry of Finance had prepared a preliminary report on the Indians having huge illegal funds abroad;

(b) if so, what are the details in this regard; and

(c) what action has been taken in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHM DUTT): (a) No, Sir.

(b) and (c). In view of (a) above, the questions do not arise.